

Message Text

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61

ACTION ARA-20

INFO OCT-01 ADP-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 DODE-00 PM-07 H-03 L-03 NSC-10

PA-03 PRS-01 SS-15 USIA-15 STR-08 RSR-01 CEA-02 /162 W

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R 272047Z JUL 73

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 3010

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E.O. 11652: N/A

TAGS: EFIN, AR

SUBJECT: NEW EXCHANGE REQUIREMENT ADDS TO UNCERTAINTY

1. CENTRAL BANK CIRCULAR R.C. 478 STATES ALL PERSONS AND ENTITIES DOMICILED OR RESIDENT IN ARGENTINA REQUIRED TO CONVERT IN OFFICIAL FINANCIAL EXCHANGE MARKET ALL FOREIGN EXCHANGE EARNED IN ARGENTINA OR ABROAD FROM JULY 18 FORWARD. EXCHANGE MUST BE MADE WITHIN 30 DAYS OF RECEIPT OR CREDIT OF SUCH EARNINGS. CIRCULAR SPECIFIES ONLY ONE EXCEPTION TO THIS REQUIREMENT: EARNINGS FROM EXPORTS OF ARGENTINE GOODS WILL CONTINUE TO BE HANDLED UNDER EXISTING REGULATIONS. CIRCULAR, WHICH IS LESS THAN ONE PAGE LONG, GIVES NO FURTHER DETAILS OR EXPLANATION.

2. NEW REQUIREMENT CAUSING CONSIDERABLE UNCERTAINTY AND ALARM IN LOCAL FINANCIAL AND BUSINESS COMMUNITY, SINCE, IF TAKEN AT FACE VALUE, IT APPLIES TO ALL INDIVIDUAL AND CORPORATE FOREIGN CURRENCY EARNINGS. ATTEMPTS TO OBTAIN CLARIFICATION OF SCOPE AND INTENDED IMPACT OF REQUIREMENT HAVE BEEN UNSUCCESSFUL SO FAR. CENTRAL BANK APPEARS TO BE UNWILLING OR UNABLE TO PROVIDE SUCH CLARIFICATION, AND HAS ALREADY POSTPONED TWO MEETINGS WITH LOCAL BANKS ON SUBJECT. ONE VIEW BEING EXPRESSED IS THAT NEW MEASURE AIMED PRIMARILY AT PRACTICE OF SOME FIRMS HERE WHICH PAY ARGENTINE

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AS WELL AS NON-ARGENTINE EMPLOYEES PARTIALLY IN FOREIGN CURRENCY.

KREBS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973078/aaaaafsl.tel
Line Count: 62
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: n/a
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Review Comment: n/a
Review Content Flags:
Review Date: 15 JAN 2002
Review Event:
Review Exemptions: n/a
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EO Systematic Review
30 JUN 2005

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